# SRI LANKA APPAREL EXPORTERS ASSOCIATION

## NEWSLETTER

**OCTOBER 2023 EDITION**

## NEWS IN BRIEF

### India's Odisha State Approves Trimetro Garments' Planned Apparel Unit

- India's Odisha state has approved 19 projects worth ₹3,663 crore.
- These include a ₹376.85-crore proposal for manufacturing garments in Khurda district by Trimetro Garments India Pvt Ltd, a subsidiary of Hong Kong-based Epic Group.

- Proposals of Super Sonic Logistics Pvt Ltd, Koli Commercial LLP and Vimla Infrastructure (India) Pvt Ltd were also approved.

India's Odisha state recently approved 19 investment projects worth ₹3,663 crore. The projects include setting up a garment manufacturing unit.

Trimetro Garments India Pvt Ltd, a subsidiary of Hong Kong-based apparel manufacturer Epic Group, is planning to invest ₹376.85 crore to set up an apparel manufacturing facility in Khurda district, an official statement said.

In the renewable energy sector, Mahanadi Coalfields Limited (MCL), an enterprise of the central government and state-run Odisha Power Generation Corporation Limited (OPGCL), have proposed to set up solar power plants with investments of ₹297.61 crore and ₹215 crore respectively.

A proposal of Super Sonic Logistics Pvt Ltd was approved. Infrastructure projects of Koli Commercial LLP and Vimla Infrastructure (India) Pvt Ltd, both proposing to set up private freight terminals under the Gati Shakti Multi-Modal Terminal scheme, were also approved by the state.

Packaging products manufacturer Oricon Enterprise Ltd got approval for setting up a manufacturing units in Khurda, with investments of ₹90 crore.

The projects were approved during a meeting of the State Level Single Window Clearance Authority (SLSWCA) held under the chairmanship of state chief secretary Pradeep Kumar Jena. These are expected to generate employment for over 13,500.

**Source: Fiber2Fashion**

# Bangladesh's CPD Suggests Tk 17568 Minimum Monthly Wage For RMG Sector



- Bangladesh's Centre for Policy Dialogue recently suggested Tk 17,568 as the minimum monthly wage for garment workers at the entry level.

- Leaders of workers' unions feel the amount should be Tk 23,000-25,000, keeping in view the rising inflation.

- Any irrational wage hike could risk the sector's competitiveness, industry leaders said at a discussion.

Bangladesh's think tank Centre for Policy Dialogue (CPD) recently suggested Tk 17,568 as the minimum monthly wage for garment workers at the entry level. Leaders of workers' unions, however, feel the amount should be Tk 23,000-25,000, keeping in view the rising inflation.

CPD research director Khondokar Golam Moazzem said a mere $0.07 increase in the manufacturing cost of a garment product by buyers would be adequate to offset the heightened labour expenses.

**Source: Fiber2Fashion**

Any irrational wage hike could risk the sector's competitiveness, industry leaders said at a discussion on 'Readjusting Minimum Wages in Garments Sector: Observations and Recommendations', organised by CPD and Christian Aid in Dhaka.

A CPD survey found that 42 per cent of garment workers are getting salaries below Tk 8,000, 31.1 per cent of workers are not even aware of what grade they work in and 32 per cent are unaware of how much time is required to get the next grade promotion.

The survey collected data from 228 workers in 76 factories located in Dhaka, Narayanganj, Gazipur and Chattogram.

However, Siddiqur Rahman, who represents garment sector owners on the Minimum Wage Board, questioned the survey's methodology, according to domestic media reports.

He cautioned against wage increases that could lead to factory closures.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), criticised international brands and buyers for imposing additional costs on the country's apparel manufacturers under the guise of ethical practices, when many entrepreneurs in the sector are burdened with bank loans, individual debts, lawsuits and warrants.

**Source: Fiber2Fashion**

# Sri Lanka's Central Bank Reduces Policy Interest Rates By 100 Bps

- The monetary policy board of Sri Lanka's central bank has reduced its standing deposit facility rate and the standing lending facility rate by 100 bps to 10 per cent and 11 per cent respectively to stabilize inflation at 5 per cent level in the medium term.

- Domestic economic activity is expected to rebound gradually during the second half of this year.

The monetary policy board of Sri Lanka's central bank yesterday reduced its standing deposit facility rate and the standing lending facility rate by 100 basis points (bps) to 10 per cent and 11 per cent respectively to stabilize inflation at the targeted 5 per cent level in the medium term.

The decision was taken at the first monetary policy review by the board under the Central Bank of Sri Lanka Act, No. 16 of 2023.



**Source: Fiber2Fashion**

The board expects that the decision, along with the significant easing of monetary policy done earlier, would accelerate the downward adjustment in market interest rates, particularly lending rates.

The significant deceleration of inflation has helped ease inflation expectations notably. The central bank noted in a release.

Colombo consumer price index (CCPI)-based headline inflation decelerated year on year (YoY) significantly below the target to 1.3 per cent in September this year, driven by declines in both food and non-food inflation.

However, this disinflation process is expected to turnaround from September, with the dissipating impact of the favourable base, and converge towards the targeted level of inflation.

Domestic economic activity is expected to rebound gradually during the second half of this year and sustain the recovery over the medium term.

The country's economy is estimated to have contracted by 3.1 per cent YoY in the second quarter this year. It projected to record a positive growth YoY in the latter half of 2023, supported by a broad-based expansion in all major economic sectors.

The external sector is expected to remain resilient in the period ahead, the central bank observed.

During the eight months ending in August 2023, the trade deficit decreased notably, with a significant decrease in merchandise imports due to lower demand and import restrictions, and a relatively low decline in merchandise exports.
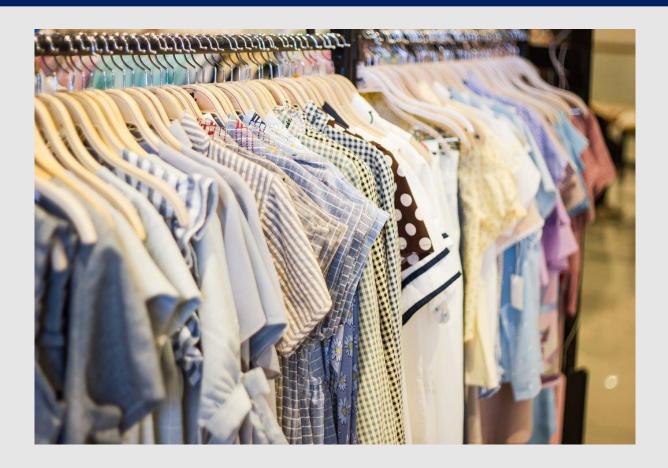
# Sri Lanka's Garment Exports Down 20% To $3,020 Mn In Jan-Aug 2023



## INSIGHTS

- Sri Lanka's garment exports in January-August 2023 were valued at $3,020.3 million, marking a 20 per cent decline compared to the same period in 2022.

- This fall can be attributed to the global economic slowdown.

- During January-August 2023, textile exports slightly dropped by 1.4 per cent, while other manufactured textile articles saw a 16.9 per cent decline.

**Source: Fiber2Fashion**

# EXPORT OF APPAREL STATISTICS

## Export of Apparel for the Month of October 2018 - 2023

| | 2018 US$. Mn | 2019 US$. Mn | 2020 US$. Mn | 2021 US$. Mn | 2022 US$. Mn | 2023 US$. Mn | 2022/2023 Change % |
|---|---|---|---|---|---|---|---|
| Total Exports | 403.00 | 416.00 | 331.29 | 479.21 | 414.15 | 330.95 | -20.09 |
| US | 188.00 | 191.00 | 133.66 | 202.67 | 154.13 | 128.22 | -16.81 |
| EU | 118.40 | 120.13 | 109.03 | 149.67 | 146.26 | 110.00 | -24.79 |
| UK | 47.88 | 52.46 | 47.76 | 65.45 | 51.10 | 43.66 | -14.56 |
| Other | 48.72 | 52.41 | 40.84 | 61.42 | 62.66 | 49.07 | -21.69 |

## Export of Apparel January - October (Cumulative) 2018 - 2023

| | 2018 US$. Mn | 2019 US$. Mn | 2020 US$. Mn | 2021 US$. Mn | 2022 US$. Mn | 2023 US$. Mn | 2022/2023 Change % |
|---|---|---|---|---|---|---|---|
| Total Exports | 4,135.00 | 4,388.70 | 3,431.20 | 4,111.04 | 4,715.24 | 3,748.72 | -20.50 |
| US | 1,852.00 | 1,940.97 | 1,496.00 | 1,701.29 | 1,981.87 | 1,495.56 | -24.54 |
| EU | 1,100.21 | 1,175.47 | 974.96 | 1,238.48 | 1,407.41 | 1,142.25 | -18.84 |
| UK | 645.99 | 666.16 | 495.11 | 563.90 | 623.42 | 523.95 | -15.96 |
| Other | 536.80 | 606.10 | 465.13 | 607.37 | 702.54 | 586.96 | -16.45 |

## Export of Apparel in the Month of October 2018 - 2023 to All Countries

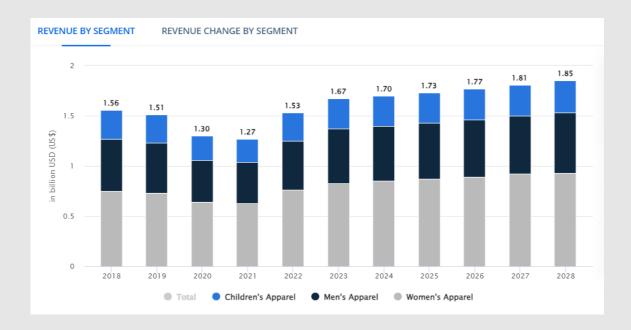| | 2018 US$. Mn | 2019 US$. Mn | 2020 US$. Mn | 2021 US$. Mn | 2022 US$. Mn | 2023 US$. Mn |
|---|---|---|---|---|---|---|
| Chapter 61 | 239.00 | 262.00 | 241.57 | 302.74 | 261.25 | 205.09 |
| Chapter 62 | 157.00 | 146.00 | 84.08 | 164.27 | 145.49 | 117.80 |
| Chapter 63 | 7.00 | 8.00 | 5.64 | 12.20 | 7.41 | 8.06 |
| Total | 403.00 | 416.00 | 331.29 | 479.21 | 414.15 | 330.95 |

# ● Apparel - Sri Lanka

- Revenue in the Apparel market amounts to US$1.66bn in 2023. The market is expected to grow annually by 2.08% (CAGR 2023-2028).
- The market's largest segment is the segment Women's Apparel with a market volume of US$0.83bn in 2023.
- In global comparison, most revenue is generated in the United States (US$351bn in 2023).
- In relation to total population figures, per person revenues of US$75.98 are generated in 2023.
- In the Apparel market, volume is expected to amount to 250.9m pieces by 2028. The Apparel market is expected to show a volume growth of -0.8% in 2024.
- The average volume per person in the Apparel market is expected to amount to 12.0pieces in 2023.
- By 2023, 96% of sales in the Apparel market will be attributable to Non-Luxury goods.

**REVENUE BY SEGMENT**    REVENUE CHANGE BY SEGMENT

in billion USD (US $)

| Year | Total |
|------|-------|
| 2018 | 1.56 |
| 2019 | 1.51 |
| 2020 | 1.30 |
| 2021 | 1.27 |
| 2022 | 1.53 |
| 2023 | 1.67 |
| 2024 | 1.70 |
| 2025 | 1.73 |
| 2026 | 1.77 |
| 2027 | 1.81 |
| 2028 | 1.85 |

○ Total  ● Children's Apparel  ● Men's Apparel  ○ Women's Apparel
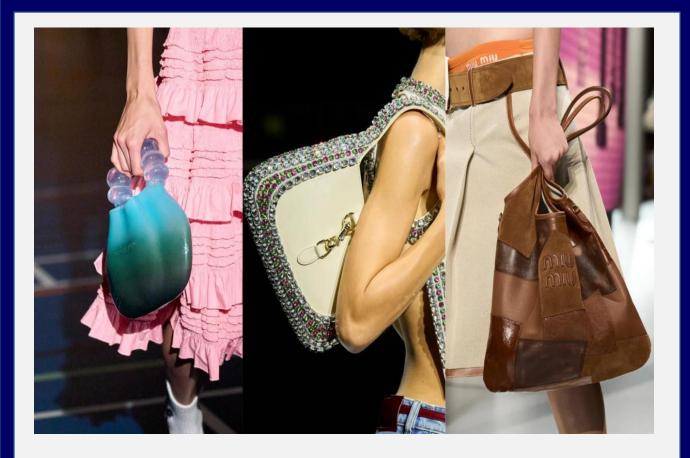
**Source: Statista**

# THE 166 BEST BAGS FROM THE SPRING 2024 RUNWAYS



With each passing fashion week, new ideas for how to lug our belongings throughout the day are sparked. While it may sometimes feel as though there's nothing new to bring to the handbag table, there are always the select few that prove those thoughts wrong and sometimes even make us say to ourselves, 'I need that.' Though a bedazzled dolphin shoulder bag (as seen on Colin LoCascio's Spring 2024 runway) or Coperni's CD-player purse may not be the most practical, they can often be the most inspiring.

**Source : Fashionista**

# WHAT THE BUYERS ARE BUYING FROM THE SPRING 2024 RUNWAYS



Editors, influencers, stylists and show-goers can share [what they loved most](#) from a season's runways, but, in the end, what matters is what people buy from [the new collections](#). To get an accurate sense for what's going to [trend](#) in six months, you have to ask the buyers, merchandisers and fashion directors at major retailers about what's catching their eye, what they placed orders for and what they're betting on. That's why we do it [every season](#).

Luxury womenswear buyers especially loved the [Spring 2024](#) collections of [Prada](#), [The Row](#) and [Dries van Noten](#), and really responded to sportswear and spring dresses on the runway. Ahead, see the pieces they're still thinking about from New York, London, Milan and Paris — and what one person described as her "died-and-gone-to-heaven look."

**Source : Fashionista**